

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

U.S. BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI
FILED

FEB 20 2004

**IN RE:
INTERNAL REVENUE SERVICE
AMENDMENT OF GENERAL ORDER
ENTERED APRIL 26, 1982**

CHARLENE J. KENNEDY, CLERK
BY C. Spence DEPUTY

AMENDED GENERAL ORDER

THIS MATTER is before the court on consideration of amending the general order entered on the 26th day of April 1982, which pertains to the assessment, offset and payment of federal income tax refunds. After fully reviewing the matter, the Court finds that the Order should be amended as follows, to wit:

By the provisions of 11 U.S.C. § 362, all entities are enjoined and stayed from commencing or continuing any suit against a debtor; from assessing any claim against a debtor that arose before the commencement of the bankruptcy proceeding; from creating any lien against property of the estate; and, from making set-offs to collect pre-petition taxes, except as may be otherwise provided by 11 U.S.C. § 362(b).

By the provisions of 11 U.S.C. § 101, "entity" is defined as including person, estate, trust, governmental unit, and United States Trustee.

By reason of the foregoing provisions, the Internal Revenue Service examines each income tax refund to determine its disposition. By reason of the operation of the foregoing provisions, the administration of bankruptcy cases is being hindered, burdened and delayed, and the administration of the federal tax system is likewise being hindered, burdened and delayed, due to the necessity of constant monitoring which arises from the operation of the foregoing provisions. The continuation of the withholding of income tax refunds and the prohibition

against the above enumerated assessments works an injustice and causes the debtor(s) and the Internal Revenue Service undue hardship.


IT IS THEREFORE ORDERED, ADJUDGED and DECREED that the Internal Revenue Service be, and it is hereby authorized and directed to make income tax refunds, in the ordinary course of business, directly to the debtor(s) or, when requested, directly to the trustee in a debtor's case; that the Internal Revenue Service be authorized to offset against any refund due a debtor(s) any taxes due the United States Government; and, that the Internal Revenue Service be authorized to assess any tax liability satisfied by offsetting any refund, when such liability has not previously been assessed.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that the Internal Revenue Service is hereby authorized to assess tax liabilities shown on voluntarily filed returns and other agreed-to tax liabilities.

IT IS FURTHER ORDERED that the stay afforded by 11 U.S.C. §362 be, and it is hereby modified to that extent.

SO ORDERED this the 20th day of FEBRUARY, 2004.


EDWARD ELLINGTON
U. S. BANKRUPTCY JUDGE


EDWARD R. GAINES
U. S. BANKRUPTCY JUDGE